

## NANO TOOLS FOR LEADERS®

# THE ATTRIBUTE MAP: A TOOL FOR CREATING COMPETITIVE ADVANTAGE, PART ONE

**Nano Tools for Leaders®** are fast, effective leadership tools that you can learn and start using in less than 15 minutes — with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

**Contributor:** Ian MacMillan, The Dhirubhai Ambani Professor of Innovation and Entrepreneurship; Professor of Management; Director, Sol C. Snider Entrepreneurial Research Center, The Wharton School

### THE GOAL:

Build ongoing competitive advantage by knowing what your customers care about most.

### NANO TOOL:

Creating value for customers is dynamic: yesterday’s differentiators become tomorrow’s taken-for-granted norms. To stay competitive, you need a simple way to assess what matters most to each of your customer segments. Armed with this knowledge, you can optimize your innovation investments by focusing on the areas with the highest perceived value for your customers.

“Attribute Maps” are a highly effective tool for assessing your customers’ real needs and desires. They simplify the complexity of your customers’ reactions to your product or service and your position with respect to competitors. Attribute maps let you clearly see where additional resources could have the greatest impact and give you objective information about the likely consequences of a move.

In this Nano Tool, Part 1, we’ll explore how to create an attribute map. Next month, in Part 2, we’ll show how to mine your attribute map for a “marketbuster” — an exceptional opportunity for growth.

### THE ATTRIBUTE MAP

	Basic	Discriminators	Energizers
Positive	Nonnegotiables	Differentiators	Exciters
Negative	Tolerables	Dissatisfiers	Enragers Terrifiers Disgusters
Neutral	So-whats	Parallel differentiators	No such beast

### HOW COMPANIES USE IT:

- Swedish-based food packaging and processing company Tetra Pac uses attribute mapping to identify product development needs and Unique Selling Points (USPs) of its Tetra Recart recyclable carton packaging. The USPs, including “easy to open” and “environmental image” are either differentiators or exciters, positive attributes that most clearly distinguish the product from that of its competitors. Once identified, the USPs are used in communications with customers and end users in order to convince them to purchase products in Tetra Pac containers.
- For Southwest Airlines, number ten on *Forbes’* list of the world’s Most Admired Companies, an attribute map indicates that the company is best at what matters most to customers, and worst at what matters least — a winning combination. This means they can invest their resources where they have the greatest impact, creating what to some are differentiators and to others exciters: exceptional customer service and low prices. Acknowledging that customers are less interested in on-board amenities and ideally-located airports means those attributes can suffer without a negative impact to the business.

## **ACTION STEPS:**

1. Determine the specific customer segment(s) you want to target.
2. To create the map, make three rows that represent the reactions of your target customer segment to the features in your product or service. The top row shows those features and attributes that customers regard as Positive; they might prompt them to buy and stay loyal to your products or service. In the middle row are Negatives: things that customers dislike and would rather do without. In the third row are Neutral attributes that customers either don't care about or don't even know about.
3. To complete the Positive row, consider that Basic Features (the first column) are those that the targeted segment expects to receive. They're non-negotiable. You must have this feature, but since the customer takes it for granted, it doesn't make sense to spend most of your investment on it. Positive Discriminators, in the middle column, help you differentiate. They give you a favorable competitive position, and can form the basis for competitively differentiated pricing and positioning. In the Energizers column are the most positive attributes. They distinguish you from your competitors and give customers a highly motivating reason to buy and use your offering. Consider simple changes that add to the customers' convenience or ease-of-use.
4. To complete the Negative row, recognize that Tolerables, in the first column, are expected by your customer and won't affect whether they buy from you or a competitor. Note that if you or a competitor eliminates a tolerable, a significant competitive advantage could be created. Negative Energizers, in the third column, inspire a range of negative emotions. They emerge as a result of misjudgment, such as a launch of a product or service perceived as unacceptable (e.g., Monsanto's launch of genetically modified agricultural products in Europe). It is critical to eliminate these quickly.
5. To complete the Neutral row, consider your customer segment carefully; what is neutral to some customers can be considered basic or differentiating to others. In general, neutrals add cost without enhancing value; eliminating them can drive down both cost and price.
6. Once your attribute map is complete, you can begin to think about changes you might make to your offerings for the targeted set of customers. Consider: how can we deliver positive attributes faster, better, cheaper, and more conveniently than we do now? How might we reduce or remove negative and neutral attributes? How can we meet new needs that customers may be developing? What might customers find attractive if we alone could give it to them?

## **SHARE YOUR BEST PRACTICES:**

Do you have a best practice for identifying ways in which you can maximize value as perceived by your customers? If so, please share it on our blog at Wharton's Center for Leadership and Change Management. <http://whartonleadership.wordpress.com/>

## **ADDITIONAL RESOURCES:**

- *Marketbusters: 40 Strategic Moves that Drive Exceptional Business Growth*. Rita Gunther McGrath and Ian MacMillan (Harvard Business Press, 2005). Offers a series of actions a company can take to change the competitive game and bring markedly superior growth and profitability. Using tools, checklists, and examples, the authors present five core strategies for developing marketbusters.

- *Discovery-Driven Growth: A Breakthrough Process to Reduce Risk and Seize Opportunity*. Rita Gunther McGrath and Ian MacMillan (Harvard Business Press, 2009). Explains how the practices and mindset that work in your core business can be lethal when your challenge is growth, and provides a tool-based system for managing strategic growth.
- “Discover Your Product’s Hidden Potential,” Rita Gunther McGrath and Ian MacMillan, *Harvard Business Review*, May 1996. Reveals an analytic tool that helps managers track and evaluate the dynamic fit between the needs of their customer segments and the attributes of their products.
- Ian MacMillan teaches in Wharton Executive Education’s [\*Advanced Management Program\*](#) and [\*Strategic Thinking and Management for Competitive Advantage\*](#).

## **ABOUT NANO TOOLS:**

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, Director of Innovative Learning Solutions at Wharton Executive Education. It is jointly sponsored by Wharton Executive Education and Wharton’s Center for Leadership and Change Management, Wharton Professor of Management Michael Useem, Director. Nano Tools Academic Director, Professor Adam Grant.